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EFFECTIVENESS OF A VICTORY FOOD SELECTION PROGRAM:
An Appraisal of a Campaign Urging Purchase of Irish Potatoes
For Home Storage, Pittsburgh, Pennsylvania, 1943

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Although Victory Food Selection programs have been accorded wide acclaim as a marketing device for stimulating the movement of foods in temporary surplus, their usefulness has not been adequately appraised. This report is an evaluation of some of the accomplishments and methods of one campaign in one city--a campaign to increase consumer purchases of Irish potatoes in Pittsburgh, Pennsylvania during the period, October 21 to November 16, 1943. 1/ The study was designed to determine the effect of the promotional activities on potato sales, particularly sales for "home storage." Pittsburgh was selected for study principally because promotional efforts there were considered to be exceptionally good. 2/ An evaluation of accomplishments under near optimum conditions was the avowed purpose of the study.

Data upon which this report is based are: (a) Statistical reports of rail arrivals and rail unloads 3/ and, (b) interviews with 47 representatives of the potato trade, including 5 chain store executives, 4/ 22 independent wholesalers, 5/ 15 independent retailers, 6/ 2 chain retailers and a few well-informed market observers.

SUMMARY OF FINDINGS

Judging from increases in sales, the 1943 campaign to induce Pittsburgh consumers to purchase Irish potatoes for home storage was "successful". Both the opinions of the potato trade and statistics on market movement indicate greater sales in 1943 than 1942. Greatest success was attained by chain organizations, but some other handlers increased their sales during the campaign period.

Chief obstacles to increasing sales were the poor quality of many potatoes, inadequate supplies to some handlers, lack of price concessions for quantity purchased by some independent retailers, and the indifference of certain independent retailers.

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- 1/ This report is a companion to a survey of consumer purchases and attitudes toward potato storage made by Program Surveys Division, Bureau of Agricultural Economics. The two reports were planned cooperatively.
 - 2/ A scrapbook of sample advertisements and photographs of displays is on file in the Pittsburgh Area Office of Food Distribution Administration.
 - 3/ Federal Market News Reports.
 - 4/ Included 2 national chains, 3 local chains.
 - 5/ Seven brokers, 9 jobbers, 6 carlot receivers.
 - 6/ Independent retail stores included were approximately representative of retail stores throughout the city.

Participation of the trade was good in most cases, especially chain organizations. Publicity was deemed excellent by the trade. Most respondents expressed willingness to participate in future campaigns of a similar nature. However, a sizeable portion of the independent wholesale trade indicated that they would not cooperate in a future campaign. Apparently the VFS emblem is not widely recognized as a symbol, nor does it connote its intended purposes.

The following suggestions may be helpful in improving future VFS programs on consumer storage of potatoes:

- 1) good quality potatoes should be available throughout the campaign,
- 2) early campaigns should emphasize "eat more" rather than "store" potatoes,
- 3) more poor quality potatoes should be processed early in the season,
- 4) VFS programs should be announced at the earliest possible date,
- 5) greater participation of independent dealers should be urged,
- 6) greater price advantages for quantity purchases should be provided,
- 7) the appeal of the VFS emblem should be improved,
- 8) price increases of VFS commodities during a campaign should be discouraged.

PARTICIPATION BY POTATO TRADE

Most of the larger potato handlers, particularly the chains, participated in the campaign by active dissemination of information and by expenditures. Although many of the smaller handlers did not participate actively, most of them knew about the campaign. Only one of the 47 respondents reported ignorance of the program. In general, the participation of the trade was as complete as could be expected under near optimum circumstances.

Program managed by trade committee and FDA - The "kick off" of the program was a meeting of the wholesale trade called by the FDA area supervisor. Here the objectives of the program were explained and organization for action was effected. Chain store organizations and large retail stores were informed of the program through personal calls by the FDA Area Supervisor. Retailers, in general, learned about the program through receiving a kit of posters and handbills distributed by the committee, through contacts on the market, or through the publicity appearing in newspapers, movies, or by radio.

A promotion committee comprised of representatives of the wholesale produce trade operated under the leadership of the FDA Area Supervisor. This committee planned and developed the promotion program. It secured excellent cooperation of various publicity agencies in Pittsburgh. Local newspapers, radio stations, and cinemas all participated in bringing the potato home-storage program to the attention of the public. Many other commercial companies donated space on billboards, on street cars and on the Liberty Avenue Tubes. In addition to paid advertisements, numerous editorials and feature stories appeared in the local newspapers.

A goal of \$2,000 was set up as the cash fund required to finance the campaign. Actually \$2,495 were collected but the cooperation of many public groups and commercial groups "multiplied the value of the cash contributions more than ten times," according to the opinion of one spokesman for the trade. Other expenditures were made privately by groups benefiting directly from the promotion program. One chain store manager reported, in fact, that expenditures in advertising the campaign by his organization equalled the fund raised by the industry.

Variety of promotional devices used - Chain organizations made in "all-out" effort to sell potatoes. They employed practically all available advertising media. They relied particularly on newspaper advertising, handbills, and special displays. Three of the five respondents mentioned poster displays as especially important. Two others considered their emphasis of face-to-face salesmanship as one of the significant efforts.

Independent wholesalers reported using posters, handbills, and solicitation of their clientele.

Independent retailers differed widely in their publicity. Eight of the 15 respondents in this class reportedly displayed posters during the campaign, three distributed handbills, one had a special display, one advertised in the newspapers and two made special verbal approaches. Only one of the 15 independent retailers deemed it advisable to advertise. Others considered that advertising the campaign was "not worthwhile" or "not needed". Five independent retailers admitted that they took no active part in the campaign.

Concerning types of promotion which were most effective, two-thirds of the respondents were either noncommittal or else replied that there is "no best". Among the specific devices considered useful were, endorsements over the air by a well-known news commentator, a display on the Liberty Avenue Tubes, an FDA-Trade "Kit", the trade meeting at the Fruit Exchange Building, gossip on the market, radio spot announcements and newspaper advertising.

Normal purchasing practices followed - Purchases of potatoes were made by usual trade methods. Advance orders were placed by most of the chains and a few of the independent wholesalers but such ordering was not considered abnormally early. Most orders were placed from one to two weeks in advance.

Use of VFS emblem limited - The Victory Food Selection emblem appeared in most but not all of the advertising and publicity attendant to the campaign. Interviews with the wholesale trade, however, indicated only slight recognition and association of the use of the VFS emblem. Moreover, many of those "in the trade" did not make use of the posters or other printed material even though they had contributed to the promotion program. Interviews with the independent retail trade indicated less familiarity with the VFS emblem than in the case of either chain stores or independent wholesalers. In several instances, the VFS emblem was confused with another symbol of two red feathers which signified contributions to a welfare drive.

EFFECT OF CAMPAIGN ON SALES

Sales of potatoes increased markedly during the Victory Food Selection campaign. Opinions of the potato trade and statistics on market movement of potatoes both reveal sales increases.

Trade reported big increase in sales - Interviews with chain store executives showed striking increases in sales this year as compared with the same period in 1942, particularly during the campaign period. The highest increase reported was 190 percent. Two chains reported increases of 35 percent. Another chain reported approximately equal sales for 1942 and 1943 despite its discontinuance of delivery services. 7/

Most representatives of the independent wholesale trade indicated sales increases over 1942. Of 22 firms reporting, only four indicated actual decreases in sales during the campaign period. Eleven reported definite increases and six indicated sales approximately the same for 1942 and 1943. One broker refused to participate in the campaign because of the poor quality of the available supply of potatoes. Most increases were under 50 percent but one firm reported an increase of 400 percent and three others increases of at least 100 percent.

About one half of the independent retail store managers interviewed reported increases in sales. In general, the benefits of the campaign were much less for the independent retailers than for either chain organizations or wholesalers.

Most of the retail respondents reported considerable sales to consumers of 50 and 100 pound bags indicating that many purchases were for storage. 8/

7/ The only other chain reporting, handled potatoes for the first time in 1943. Consequently, no comparisons could be made. However, this organization sold six carloads of potatoes during the campaign and the manager was enthusiastic about the results of the publicity campaign.

8/ The BAE study referred to in footnote 1/ was designed to show the extent to which potatoes were purchased by consumers for storage.

Carlot unloads increased - The effects of the campaign on potato sales may be imputed from available statistical data on (a) change in the number of carlot unloads and (b) in the number of carlot arrivals at Pittsburgh. Since carlot arrivals may be diverted to other markets the number of carlot unloads ^{9/} is used here as the most significant indicator of changes in sales volume.

During the 1943 campaign period, unloads at Pittsburgh were 28 percent more than during the same period in 1942. (Figure 1) ^{10/} A similar increase over 1942 (32 percent) was evident, however, during the entire fall marketing period, September 1 to December 15. Further analysis of the carlot unloads indicates that the largest percentage increase occurred in the latter part of September. The comparatively large number of carloads during this period may be due to several factors: First, the intermediate potato crop was large and marketed late compared with 1942. Also, some independent wholesalers and chain organizations apparently made some preparation for the campaign by advance ordering. The trade in Pittsburgh was notified about the middle of September of the imminence of a campaign. Moreover, preliminary announcements indicated that the campaign would likely start in late September or early in October. Actual unloads for early October were about the same as a year earlier. Significantly, after the campaign was well under way unloads again increased. Several weeks after the conclusion of the campaign, unloads decreased to a point lower than 1942.

| <u>During the period</u> | <u>The percent changes in carlot unloads 1942 to 1943 were</u> |
|-------------------------------------|--|
| October 21 - November 16 (campaign) | 28.4 |
| October 21 - 31 | 10.4 |
| November 1 - 6 | 58.1 |
| November 7 - 16 | 37.5 |
| September 1 - December 15 | 31.9 |
| September 1 - 30 | 106.0 |
| October 1 - 31 | 17.9 |
| November 1 - 30 | 31.6 |
| December 1 - 15 | - 19.4 |

^{9/} Truck unloads are not included in the data summarized here. However, as reported they accounted for a very small portion of the unloads. Between September 1 and December 15, 1943 there were 1517 cars of potatoes unloaded from railroad cars and the equivalent of 40 cars from trucks. In 1942 the comparable carlots were 1120 and 90 respectively. However, truck unload data are usually incomplete. Detailed statistical tables on unloads, arrivals and on truck holdings are on file in FDA Regional Office, 150 Broadway, New York City, N. Y.

^{10/} Figure 1 understates the increase in quantity of potatoes unloaded since loadings per car were heavier in 1943 than in 1942. Loadings for the two years are estimated in bushels as follows: September, 600 and 575; October, 750 and 600; November and December, 750 both years.

WEEKLY RAIL UNLOADS OF IRISH POTATOES AT PITTSBURGH, PENNSYLVANIA
SEPTEMBER 5 - DECEMBER 12, 1942 and 1943

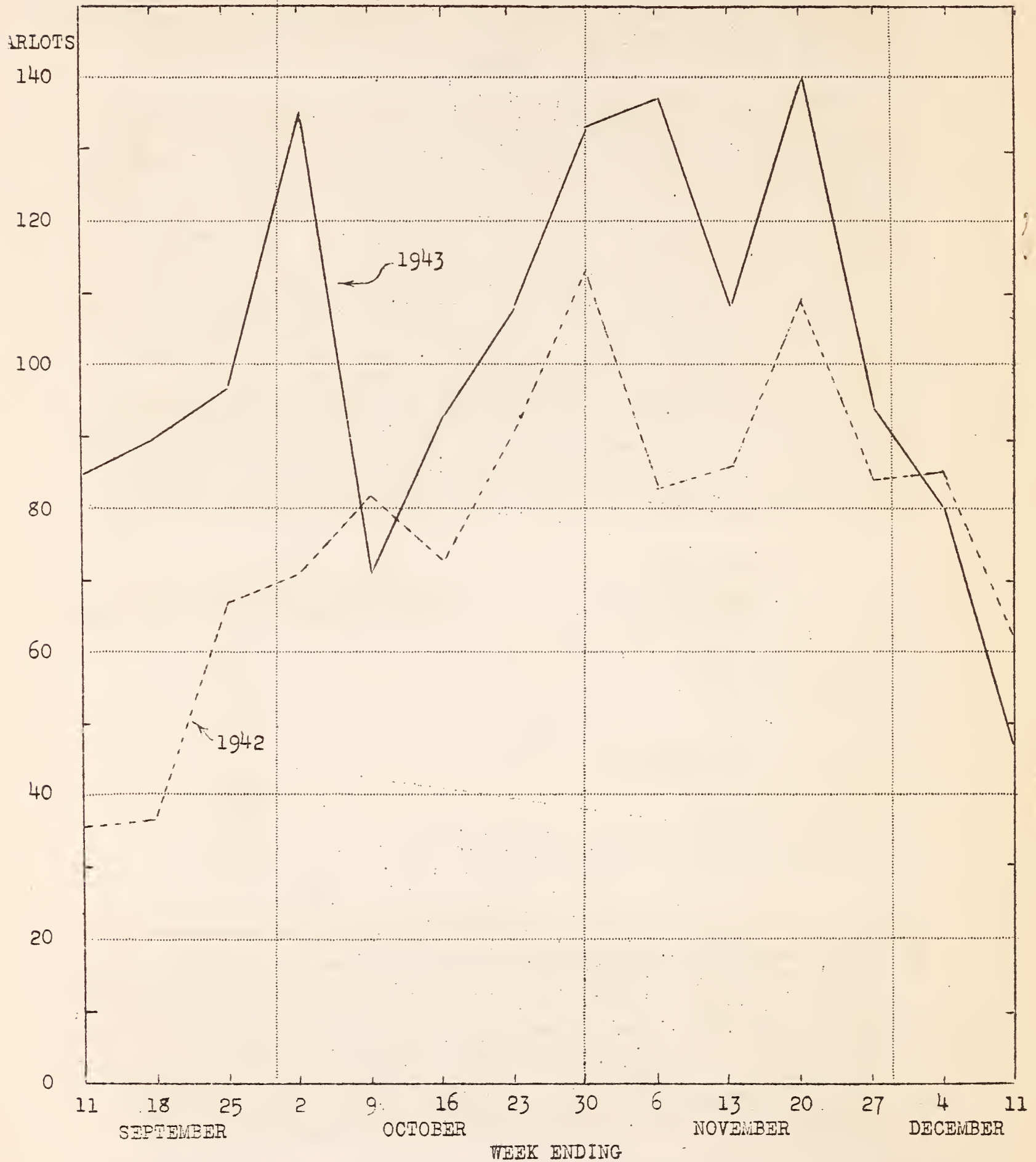


FIGURE 1

Campaign not the only sales stimulator: - Several factors should be considered in evaluating the increase of sales during the campaign period aside from the campaign itself. They indicate that to some extent potato sales and unloads would have increased without a campaign. (1) With limited storage facilities, high prevailing prices and an extremely large late potato crop (27 percent over the 1942 production) it might be expected that more potatoes would be marketed in the fall months of 1943 than 1942. (2) With shortages of many foods, especially vegetables, consumers might be inclined to purchase more potatoes as a substitute. (3) With the memory of the potato shortage of a few months back still fresh in their minds, consumers would tend to buy more potatoes as a precaution against the recurrence of another shortage. Another factor of indeterminate effect is the higher consumer incomes of 1943. This would have an overall effect of encouraging consumers to purchase more expensive foods than potatoes. On the other hand, consumer intake of food increases, to some extent, as incomes increase.

Although potato sales would probably have increased without a campaign, it appears that the campaign stimulated a significant increase in sales. This was especially true of chain organizations.

Post-campaign market dull - Depressive effects of the promotion campaign on post-campaign market were reported by most wholesale dealers. The market for potatoes was reportedly weak in most outlets except independent retail stores. Apparently the market had been saturated during the campaign period. It should be pointed out that the wholesale potato market normally operates at a lower level in December but, significantly, sales were lower in 1942 than in 1943. (See figure 1)

DIFFICULTIES ENCOUNTERED

Quality of potatoes poor - One of the chief campaign difficulties was the poor quality of many potatoes. Some shipments were good but some were bad---wilt, immaturity, frost bite, hollow heart, net necrosis and cuts reducing the quality. Reports were widespread in the wholesale trade that many cars were in bad shape and that some "were a mass of wet, broken sacks".

Brokers, and chain store organizations most frequently complained about quality. Other wholesalers usually had an opportunity to "pick and choose" among the offerings. Independent retailers, buying in the market, had an opportunity to accept only potatoes of the better quality. One chain organization estimated that its already enormous sales during the campaign could have been doubled if the quality had been better and if more potatoes of good quality had been available. It should be noted that most of the criticism of the effect on the public came from that part of the trade which benefited least from the program. The criticisms ranged all the way from "the public is the one that is stung" to the statement that

"there may not be much kickback from the public due to lack of knowledge or because people are unlikely to notice the waste when only part of each sack is bad." On the other hand, some believed that the poor quality would "kill" public demand for potatoes and that the rush to store potatoes would be much weakened when the Government again appealed for cooperation in saving a crop.

One handler maintained that potato producers had a good idea of the actual quality and that they deliberately held back--for storage there--the better quality crop. It is customary trade practice, however, to market early in the season potatoes that may not keep well in storage.

Some improvement in quality was evident as the program progressed but remaining doubt of quality prevented optimum sales.

Supplies reportedly inadequate: - Another factor reported as reducing the effectiveness of the campaign was shortages in supply. Although Federal market reports indicated that sufficient cars of potatoes were arriving and on track 11/ in Pittsburgh during the campaign to meet the demand (Figure 2) various handlers reported inadequate supplies at various times during the campaign.

Because of labor shortages and the great demand for railroad cars to move the bumper crop there were undoubtedly delays in shipments to some handlers. The uneven distribution of cars arriving in the Pittsburgh market was attributed by some respondents to over-ordering by their competitors. Some contractors over-ordered with the hope of obtaining at least their expected requirements. More than sufficient supplies were received by some dealers while others were forced to wait until over-orders had been filled. In one instance, the delay in delivery was more than two weeks. The delay in the arrival of supplies caused the trade to request and obtain a 10-day extension of the campaign.

Post-campaign stocks large - The trade generally was overstocked with potatoes after the campaign. Some sales occurred at relatively low prices. Those who could store their potatoes did so in hope of future improvement in the market but some reports indicated tie-in sales of potatoes with vegetables in short supply, such as onions.

Price concessions mostly by chains - Price factors appeared to have had considerable influence on which type of dealer sold most potatoes. Statements by the wholesale trade indicated that some of the chains were retailing potatoes at the wholesale carlot price or only a cent or two per bag above. The trade stated that at least another 25 cents per bag was needed to make it profitable for independent wholesalers to handle the crop.

11/ Arrivals plus on-track holdings indicate approximately the quantity of potatoes available on a particular day. However, some cars may be reconsigned elsewhere.

DAILY COMBINED ON TRACK HOLDINGS AND ARRIVALS^{1/} AND UNLOADS OF IRISH POTATOES, PITTSBURGH, PENNSYLVANIA,
OCTOBER 18, 1943 - NOVEMBER 16, 1943

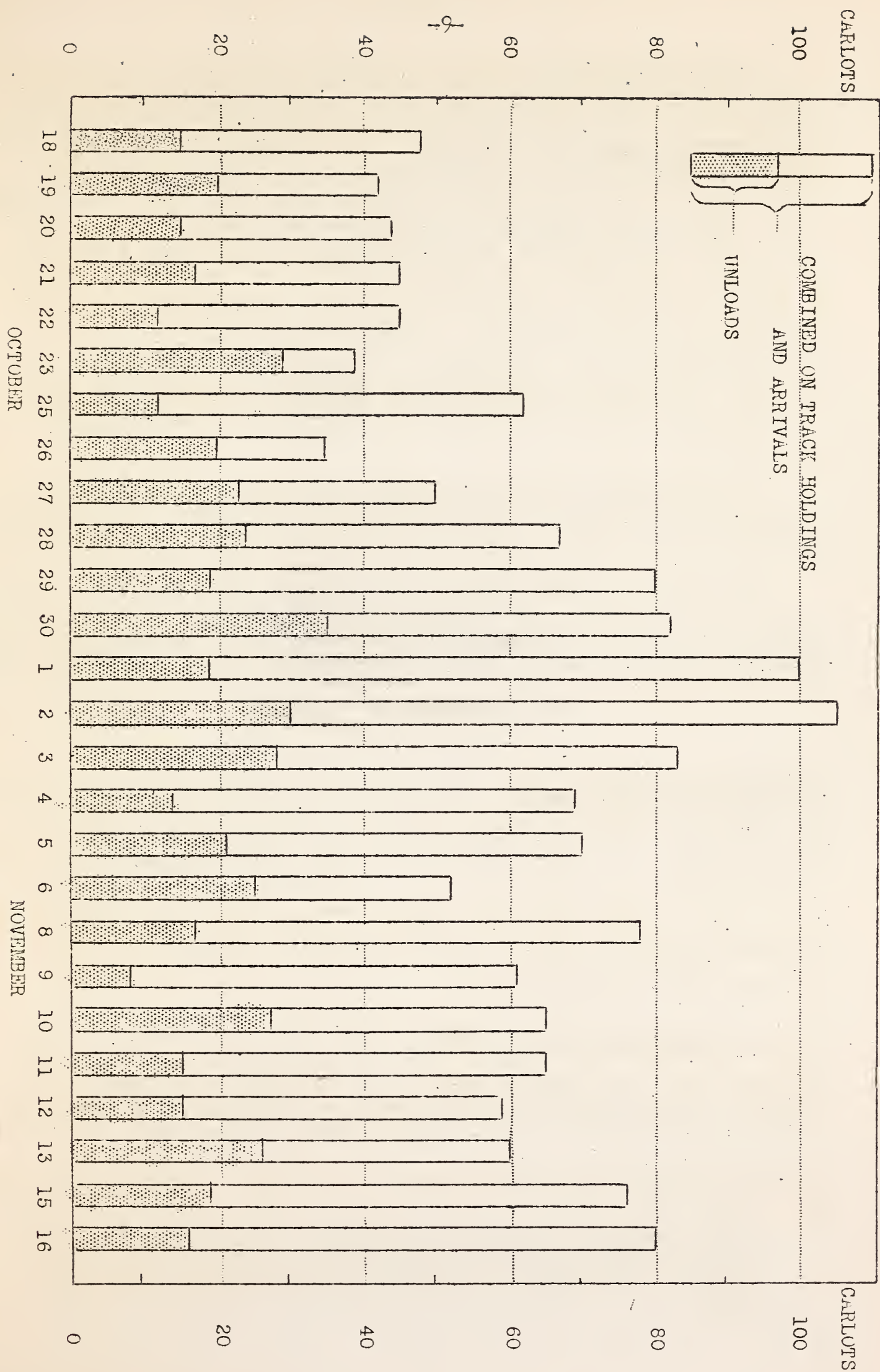


FIGURE 2

^{1/} On track holdings plus arrivals represent the available supply for unloading.

Many independents reported that they were unable to meet chain store competition. Independent retail stores generally could not afford to sell at less than \$1.75 for 50 pounds or \$3.25 to \$3.50 a hundredweight since the carlot price on the market was about \$1.46 for 50's and \$2.95 to \$2.98 for 100's. Yet, chain stores sold at \$1.49 and \$2.98 at the start of the campaign. ^{12/} Some independents said, "there is no money in potatoes" or that "potatoes are priced too high." Nevertheless, one independent retailer stated that he met chain store prices. He was not particularly worried if he made no profit on potatoes as he advertised extensively and used "loss leaders", depending on volume rather than unit profits. One independent, in an outlying area, expressed the position of his type of neighborhood store as follows: "I might be able to put on one big sale at greatly reduced prices. But then I could never return to the prices found necessary in ordinary times to make any profit on potatoes."

Indifference of most independent retailers to the campaign was due, to some extent, to their inability to make price concessions for quantity sales. Their clientele usually only buys in small quantities.

One market observer reported that the campaign came just at the right time to "firm" a faltering market. He expressed the belief, however, that retail prices, which increased after the campaign, were too high and that lowered prices would stimulate the demand for potatoes.

OPINIONS OF THE TRADE

Publicity considered good - The excellence of the publicity campaign was evidenced both in interviews and in correspondence received by the FDA area supervisor. All respondents expressed satisfaction with the promotion. However, some of the independent wholesalers and retailers were dissatisfied with the financial benefits to themselves as a result of the publicity. Chain store organizations unanimously agreed that their advertising expenditures and their contributions to the VFS promotion committee were justified by pecuniary returns through increased potato sales.

Future campaigns probably welcome - When asked whether they would again participate in a similar campaign most respondents answered affirmatively. All chains indicated a willingness to cooperate in another campaign provided certain changes were made. The principal suggestion made by the trade, for improving a future campaign, was

^{12/} During the campaign, carlot prices in Maine increased 10 cents a cwt. and one large chain accordingly raised its retail price in Pittsburgh to \$1.59 per 50 lb. This increase reported in Maine was comparable to increases during the same period of 1942.

the assurance of an adequate supply of good quality potatoes. It was also suggested that future VFS programs for potato storage start at a later date than the 1943 campaign. However, seven of the 18 independent wholesalers reporting said they would not take part in another campaign. Of the independent retailers, most expressed willingness to participate to a limited degree.

SUGGESTIONS FOR FUTURE VFS PROGRAMS ON HOME STORAGE OF POTATOES

1. Better quality needed - If potatoes are not to be wasted in storage, a better quality potato must be made available during a campaign period than was the case in 1943. This may be accomplished by opening a campaign at a later date than October 21, the starting date of the 1943 campaign. November 10 is suggested as a more favorable date for a fall campaign. By that time, many diseased potatoes have already been marketed. (Winter and Spring campaigns would not present this difficulty.) If a potato storage program is necessary prior to November 10, it should encourage the storage of relatively small quantities so that extended storage would not be involved for diseased potatoes.

2. Early campaigns should emphasize "eat more" - In order to move more potatoes before the storage campaign begins, it is recommended that until November 10, the emphasis be placed on an "Eat-More" potato program.

3. Process poor potatoes early - Since the major portion of diseased potatoes are marketed early in the season, a program should be developed to process as many of the more perishable stocks as possible, before November 10. In conjunction with the "Eat-More" program, this would relieve the pressure of large supplies on the market and on storage facilities, until a large scale consumer storage program is feasible.

4. Announce VFS program early - The early announcement of a Victory Food Selection commodity is desirable so that the trade may be prepared for the campaign. It is recommended that orders be placed by dealers and retailers sufficiently ahead of time so that there will be adequate provision for needed supplies.

5. Urge greater participation of independents - More attention should be given to the promotion of the campaign through independent outlets. Chain organizations are better equipped for handling a campaign but independents should be made more aware of the possibilities of cooperating.

6. Larger price concessions needed - More price concessions should be made for the purchase of large quantities of potatoes by consumers in order to make home storage a profitable practice. Emphasis should be placed on volume profits to retailers rather than unit profits. This is especially applicable to independent retailers.

7. Improve appeal of VFS emblem - In this study, the Victory Food Selection emblem was not widely recognized by the trade. The trade should either be more acquainted with this emblem or a more appealing symbol should be employed.

8. Discourage price increases during campaign - The designation of a commodity as a Victory Food Selection should not be used as an excuse nor should it be exploited to increase excessively the price of a commodity. If prices are increased as a result of the designation of a commodity as a Victory Food Selection, there is danger that consumers will tend to become suspicious of Victory Food Selection programs.